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RUEHCV/AMEMBASSY CARACAS PRIORITY 0857  
RUEHGE/AMEMBASSY GEORGETOWN PRIORITY 1039  
RUEHKG/AMEMBASSY KINGSTON PRIORITY 2823  
RUEHPO/AMEMBASSY PARAMARIBO PRIORITY 1169  
RUEHPU/AMEMBASSY PORT AU PRINCE PRIORITY 4756  
RUEHSP/AMEMBASSY PORT OF SPAIN PRIORITY 1870  
RUEHUB/USINT HAVANA PRIORITY 0146  
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C O N F I D E N T I A L SANTO DOMINGO 002748

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STATE FOR WHA/CAR AND INL

E.O. 12958: DECL: 12/17/2027

TAGS: PREL ECON ETRD SNAR HA DR

SUBJECT: AMBASSADOR'S CALL ON FOREIGN MINISTER: CAFTA,  
SHOOTDOWN LAW, ARCHIPELAGIC CLAIM, HAITI

REF: A. STATE 166512  
B. SANTO DOMINGO 2369

Classified By: Ambassador P. Robert Fannin, Reasons 1.4(b), (d)

¶1. (U) On December 13, the Ambassador paid his introductory call on Foreign Minister Morales Troncoso. The Ambassador was joined by the DCM and POLOFF.

CAFTA

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¶2. (SBU) After an exchange of personal greetings, Morales spoke about the negotiations for the Dominican Republic's Economic Partnership Agreement (EPA) with the European Union.

He said that negotiations had been tough, with the EU demanding "CAFTA parity." Nevertheless, Morales continued, an accord is very close ("it's zero hour") and, when completed, the Dominicans would be only the third country to have an EPA with Europe and an FTA with the United States.

¶3. (SBU) Morales said that there are some issues pending on CAFTA, noting specifically the "two-for-one textile" and "accumulation" issues. He also expressed concern about the "Affordable Footwear Initiative," a U.S. legislative initiative that would eliminate duties on the Chinese shoe industry. Regarding the Millennium Challenge Corporation, Morales noted that Peru had been selected by the MCC, but that the Dominicans had not. The DCM replied that Peru had been identified only for a threshold program and explained that low Dominican spending on the "Investing in People" indicators has been a barrier to MCC funding. Morales noted that education spending had been increased and constitutes 11 percent of the recently released national budget.

Shootdown Law and Archipelagic Claim

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¶4. (C) The DCM presented Ref A demarche on our serious concerns regarding the draft law that would authorize the shootdown of flights by suspected narcotics traffickers. He emphasized our desire to head this issue off before the act was signed into law. This would avoid repeating the situation we have with the law asserting a Dominican

archipelagic territorial claim -- which is opposed by the U.S. and United Kingdom -- that the President already signed (Ref B).

¶ 15. (C) In his reply, Morales pledged to convey our concerns on the shootdown law to President Fernandez, and then quickly turned to a discussion of the territorial claim.

Acknowledging that the archipelagic claim was a problem, the Foreign Minister said that the application of the territorial claim would require a "ruling" (NFI) and that passing this ruling "would take a long time." (Note: The implication was that the Government planned to delay implementation of the law.) Morales added that the claim was designed to secure rights to offshore petroleum deposits, but that exploration in the area was not cost-effective given the considerable depth of the ocean floor in the area.

¶ 16. (C) Morales noted that the archipelagic and shootdown laws were both authored by the far-right Congressman Pelegrin Castillo, whose Progressive National Force party is a member of the ruling coalition. Describing Castillo as a friend but also a "nut," the Foreign Minister noted that the Fernandez Administration's coalition was broad, including "communists" and the "right-wing." When Castillo speaks to the media, it sounds as if he were in the opposition.

Haiti

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¶ 17. (U) Morales said that MINUSTAH chief Hedi Annabi had met with him earlier in the day to discuss the peacekeeping forces' plans to expand their efforts at border control. The Foreign Minister said he welcomed MINUSTAH's initiative and that it would dovetail well with the Dominican Government's

new border unit, CESFRONT. He said that they had also discussed how Haiti could take advantage of Dominican free trade agreements.

¶ 18. (C) Turning to bilateral relations with Haiti, Morales said, "We have to get along with them, despite our historical differences." He described President Preval as "a good man" and "trustworthy," and said that he believed Preval had not wanted to be President again but nevertheless responded to the call of his people. The Foreign Minister also said the Dominican-Haitian Mixed Bilateral Commission would meet soon (in early January, according to press reports). Of the ten issues that the Commission planned to take up, only immigration remained pending -- "you can't do it in an election year." Finally, Morales said that the next regional counter-narcotics summit -- a process that was initiated by Preval -- would be held in Colombia in July 2008.

Foreign Ministry

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¶ 19. (SBU) Morales briefly described his plans to restructure the Foreign Ministry, saying that new embassies has recently been opened in South African and Qatar and that he planned to close seven-to-eight embassies that "don't do anything."

Comment

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¶ 110. (C) Lasting one hour and fifteen minutes, the Ambassador's introductory call on the Foreign Minister set a positive and substantive tone for the future. Given that Morales only briefly responded to our demarche on the draft shootdown law, we will raise the issue again and press for a more comprehensive reply.

(U) This report and additional information can be found on Embassy Santo Domingo's SIPRNET site,  
<http://www.state.sgov.gov/p/wha/santodomingo/>  
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